

# China and the British Elite

by Michael Curtis



**For almost four years** allegations persisted that Donald Trump or members of the Trump presidential campaign team had “colluded” with Russia for political advantage. Many of the allegations stemmed from the report by Christopher Steele who produced a document, a “dossier,” still not publicly revealed, in total, that the Trump campaign had accepted a flow of intelligence from the Kremlin, and that Trump had been “cultivated” by Russian officials. The dossier contains controversial allegations of misconduct, conspiracy, and cooperation with Russia. The dossier, 35 pages, produced by Steele for a research firm Fusion GPS, cofounded by three former *Wall Street Journal* journalists, and financed in part by a law firm representing the Democratic National Committee, was leaked by BuzzFeed News in January 2017. It was a major factor propelling the accusations against Trump and for seeking FISA warrants on Carter Page, an aide of Trump.

The dossier, based on unnamed sources, was not shared with the

general public or the media, but its serious charges against Trump are still a matter of controversy. On one hand, in a dramatic Congressional hearing, representative Adam Schiff, chair of the House Intelligence Committee read some of the extreme claims from the dossier to refer to collusion between an election adviser of Trump and Russia. On the other hand, the former FBI director, James Comey, though himself a controversial figure, warned that the dossier contained "salacious and unverified material." The investigation by Robert Mueller in March 2019 did not "establish that members of the Trump Campaign conspired or coordinated with the Russian government in its election interference activities." In addition to the issue of the accuracy of the allegations regarding Trump, it remains an open question whether Christopher Steele had been susceptible to the formidable Russian disinformation campaign to denigrate the U.S. political system and foreign relations.

Christopher Steele has now turned his attention and dubious investigative skills to China. He had been a member of MI6, purportedly the top British expert on Russian affairs, and a man with good contacts in Moscow, as well as in British society. After 26 years at MI6 he left in 2009, and he co-founded with another former MI6 agent, a firm, *Orbis Business Intelligence*, now a leading corporate intelligence consulting firm, composed of investigators and professional intelligence analysts.

Steele's firm in July 2020 has now issued a report "China's Elite Capture," financed by a U.S.-Scot film producer Andrew Duncan, on the alleged campaign by China to persuade important and influential UK figures to support China by backing Huawei's involvement in Britain's technological infrastructure although Huawei, a firm closely linked to the Chinese Communist Party, is one of Beijing's strategic assets, a front for Chinese intelligence which can be used for spying.

The Steele dossier alleges that Beijing is grooming important

British individuals, establishment figures, to be full time agents or “useful idiots” on their behalf. It holds that the British elite is naïve regarding China’s true intentions. It alleges that Beijing has a number of objectives: establish Chinese presence in vital national infrastructures such as nuclear power and telecommunications; using Huawei in the UK’s 5G network to help expand into other European markets and to undermine the Five Eyes intelligence alliance and joint cooperation in signals cooperation with the U.S. and three other democratic countries; and to influence the UK to support Chinese international policies and thus weaken the transatlantic alliance.

The origin of the alleged Chinese campaign started when George Osborne, then Finance Minister in the government of David Cameron, endorsed Chinese investment in the UK, and minimized China’s poor human rights record. The government was complacent about malign or covert influence operations. China targeted politicians, academics, and other elites, to make use of “useful idiots” or the equivalent of full-time agents. The dossier claims that five people were targeted by an operation run on behalf of Huawei. Among the people named are Sir Kenneth Olisa, Lord Lieutenant of London, Sir Mike Rake, former chair of BT, Lord Clement Jones, Lib Dem, Dr. Sarah Wollaston, former MP, and John Suffolk, former leading information officer.

Olisa, businessman and philanthropist, head of an important technological merchant bank and Restoration Partners, born of a Nigerian father, is the first black British born person to be on the board of a FTSE-100 company, Reuters, and first black Lord-Lieutenant of London. In polls he tops the list of the UK’s most influential black people, and is regarded as the model for BAME, (black, Asian, minority ethnic people) in Britain.

Rake , a senior business figure, active in BT, Barclay, McGraw Hill, CBI, among others, has been advising Huawei

since 2019 and joined the board in April 2020. Jones, spokesperson for the Liberal Democrats in the House of Lords on issues of digital economy, is on the international advisory board of Huawei. Dr. Wollaston, another Liberal Democrat, until she lost her seat as an MP was chair of the Liaison Committee of the House of Commons, a body that consists of the chairs of the 32 select committees of the House, which considers general matters relating to the work of select committees, and can question the prime minister. She denies any relationship with China, saying that the only contact was that she was invited by an associate of Huawei to sponsor an event to mark the 40<sup>th</sup> anniversary of the Liaison Committee, but she refused. Suffolk, former chief government spokesman in matters concerning technology and business, is now a senior person for Huawei cyber security.

The dossier claims that the Chinese campaign involved using fake radio stations, based abroad, and inviting individuals to panel discussions and interviews to support Huawei and even join the board.

The whole dossier is based on the premise that China is seeking world domination in technology as in other areas, political and economic. To this end, Chinese control of up to date modern technology is all important allowing China to be involved in deep penetration of a society. One example is plans to build or invest in plants in the UK. in Somerset and Essex. Most important, China understands that 5G will be central to modern life, to the functioning of government, the economy, transport, social activities, in requiring wireless data transfer at high speeds. 5G is fifth generation technology for cellular networks which cellular phone companies began deploying in 2019. 5G is the successor to 4G networks which provide connections to the most current cell phones. The 5G network connects everything, including machines, objects, and devices. It is meant to deliver higher peak data speeds, more reliability, higher performance, and

improved efficiency.

At the moment, Huawei dominates the market for 5G systems, beating competitors such as Ericsson and Nokia. It is the world's largest telecom supplier and the world's second largest phone manufacturer.

Whether the new Steele dossier is accurate or not, the U.S. and the democratic West faces a China now more assertive, with an increasing economy, now a member of the World Trade Organization, with little respect for human rights, active in annexation of much of the South China Sea, with brutal treatment and virtual genocide against its Uighur minority, with its strong security law in Hong Kong and undermining of its autonomy, with its tendency to steal Western intellectual property, subsidizing of companies, and seeming lack of seriousness in trade negotiations with the U.S.

The case is strong that China, and Huawei specifically, be excluded from involvement in any development of Western telecommunications infrastructures because it is a threat to the U.S. and Western national interest. Huawei had worked in 3G and 4G networks, and China can now pick up data through mobile phones, facial recognition software, and obtain information on financial matters and credit ratings. The deeper the technology, the greater the threat to U.S. security.

It was unwise for a local council in Cambridgeshire to have approved a chip research and development center intended to be a center of optoelectronics, a technology used in fiber optic communication systems found in data centers and network information. However, the Trump Administration has stated that 20 leading Chinese firms, including Huawei, are owned or controlled by the Chinese military. The U.S. therefore has introduced export controls to restrict Huawei's access to chips made with U.S. equipment.

President Donald Trump has issued an executive order banning U.S. companies from using telecommunications equipment made by groups that could pose a national security risk, thus restricting Huawei business in the U.S. for security reasons. In the U.S. because of sanctions Huawei cannot buy top electronic components.

The U.S. faces a related issue, that of the banning of Tik-Tok, the video sharing social networking service owned by a Beijing technology company and the first global social media to come from China, which now has two billion users. The U.S. fears that its platform can be used to gather information on American citizens and to provide data useful for the Chinese government that can be used for espionage or blackmail. India has already banned it.

In the UK, Prime Minister Boris Johnson has decided to restrict but not to ban Huawei's role in 5G. The Chinese firm can build non-core parts of 5G but not core parts. It will be excluded from sensitive geographical locations, and no Huawei equipment can be used at a military bases or near nuclear sites. Thus, Huawei is presently limited to a periphery access network, but it is likely that Johnson will reverse his decision to allow any access by Huawei. Surely, the British elite cannot be captured even by Chinese grants to universities and business enterprises.